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Opening Statement of Sen. Chuck Grassley
Finance Committee Mark-up of Energy Tax Incentives, Wednesday, Feb. 13, 2002

Mr. Chairman, thank you for bringing us together today to mark up this important energy and conservation tax relief legislation. I'd like to note, with some satisfaction, that today we are doing the people's business the way they want us to do business. We are going to act in a bipartisan way on an important initiative in a way that reflects the diversity of our views and the diversity of our nation. In this wartime climate, this is what the people want. What a relief, Mr. Chairman, to be acting in a way that is not partisan and rancorous.

The Finance Committee has a distinct history in the area of energy-related tax policy. Almost one decade ago, this committee put its imprint on comprehensive energy-related tax policy. Then, as now, the bill the committee produced strikes a balance between conventional energy sources, alternative energy, and conservation. I'd like to thank you, Mr. Chairman, for consulting with me and every member of this committee on their priorities. I'd also like to thank your staff, led by Russ Sullivan, for the hard work they've put in to get us here. I'd ask the distinguished Majority Leader, Senator Daschle, to fully respect the committee's independence and tradition. Specifically, our committee product should be considered as a free-standing amendment. This bipartisan, consensus product should be debated on its own when the basic energy bill comes to the floor.

Now, I'd like to turn to some specific provisions in the chairman's mark. First and foremost, we have an extension and expansion of the production credit for wind energy. Back in 1992, I was the first to offer this proposal to the Senate. I was pleased to work with the Majority Leader and others to include this provision in the Internal Revenue Code. Now, we have an important expansion of this production credit to cover biomass, including swine and bovine waste, geothermal wells and solar energy. As the President has wisely said, as a matter of national security, we need to reduce our dependence on foreign oil. That means all domestic energy sources, green and otherwise, are fair game. Along those lines, we have a new tax credit for biodiesel fuels that will be included in this bill.

I'm pleased that Senator Lincoln, along with Senators Hutchinson, Dayton, and myself have advanced this new tax credit. This is good news for farmers in our states, consumers, and the environment.

Let me point out that the chairman's mark contains two provisions that enhance the tax incentives for ethanol production. Ethanol is a clean-burning fuel that will continue to be a key element in our transportation fuels policy. There are a number of other very good proposals in the chairman's mark, and I will not go into them now.

Mr. Chairman, I also want to briefly talk about offsets. I'm pleased that, at this stage, we have not offset the revenue loss in this committee product. This decision was seen as a constructive gesture by many on my side of the aisle. It is also good that the committee members agreed to stay within reasonable bounds in terms of the overall revenue loss. I have agreed to work with you on the offsets when we get to the floor. Like you, I do not want the good policy in this bill brought down on a budget act point of order. So, to sum up, we are doing what we should do. We are responding to a national priority, energy security, in a balanced and comprehensive way.